CALGARY, ALBERTA – August 18, 2016

QUESTFIRE ENERGY CORP. ANNOUNCES 2016 SECOND QUARTER FINANCIAL RESULTS

Questfire Energy Corp. (the "Corporation" or "Questfire") (TSX Venture – Q.A, Q.B) is pleased to announce that it has filed on SEDAR its unaudited interim financial statements and related management's discussion and analysis ("MD&A") for the three and six month periods ended June 30, 2016.

Financial and Operating Highlights

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Financial				
Oil and natural gas sales	**$ 6,287,350**	$ 10,602,982	**$ 13,572,239**	$ 21,457,024
Funds flow from operations (1)	**360,700**	3,236,195	**383,712**	6,287,734
Per share, basic	**0.02**	0.19	**0.02**	0.36
Per share, diluted	**0.02**	0.14	**0.02**	0.28
Loss	**(5,226,363)**	(1,904,095)	**(8,644,811)**	(3,904,160)
Per share, basic and diluted	**(0.30)**	(0.11)	**(0.50)**	(0.23)
Capital expenditures	**177,535**	914,066	**316,396**	2,562,634
Proceeds from property disposition	**$ 1,950,000**	$ -	**1,950,000**	-
Working capital deficit *(end of period)* (2)			**54,925,921**	4,165,519
Long-term contract obligation *(end of period)* (3)			**13,964,898**	14,333,833
Long-term bank debt *(end of period)*			**-**	40,589,595
Shareholders' equity *(end of period)*			**$ 5,928,460**	$ 20,360,723
Shares outstanding *(end of period)*				
Class A			**17,318,001**	17,318,001
Class B			**550,440**	550,440
Options outstanding *(end of period)*			**3,133,500**	3,291,000
Weighted-average basic and diluted shares outstanding	**17,318,001**	17,318,001	**17,318,001**	17,318,001
Class A share trading price				
High	**$ 0.69**	$ 1.95	**$ 0.74**	$ 1.95
Low	**0.33**	1.15	**0.33**	1.15
Close	**$ 0.33**	$ 1.59	**$ 0.33**	$ 1.59

		Three months ended June 30,		Six months ended June 30,	
		2016	2015	**2016**	2015
Operations (4)					
Production					
Natural gas *(Mcf/d)*		**19,872**	20,690	**21,329**	21,511
Natural gas liquids (NGL) *(bbls/d)*		**696**	599	**720**	644
Crude oil *(bbls/d)*		**413**	605	**457**	697
Total *(boe/d)*		**4,421**	4,652	**4,732**	4,926
Benchmark prices					
Natural gas					
AECO *(Cdn$/GJ)*		**$ 1.33**	$ 2.51	**$ 1.53**	$ 2.56
Crude oil					
WTI *(US$/bbl)*		**45.59**	57.94	**39.52**	53.29
Canadian Light *(Cdn$/bbl)*		**55.01**	68.88	**48.11**	61.08
Average realized prices (5)					
Natural gas *(per Mcf)*		**1.51**	2.73	**1.76**	2.80
NGL *(per bbl)*		**28.23**	40.87	**26.77**	36.81
Crude oil *(per bbl)*		**46.84**	58.72	**38.90**	49.58
Operating netback *(per boe)* (6)		**3.17**	9.53	**3.44**	9.23
Funds flow netback *(per boe)* (6)		**$ 0.90**	$ 7.65	**$ 0.45**	$ 7.05

(1) For a description of Funds flow from operations, refer to the commentary in the MD&A under Funds flow from operations under Critical Accounting Judgments, Estimates and Policies.

(2) Working capital deficit includes risk management contract and convertible Class B share liabilities of $2,636,821 and $5,310,867, respectively (June 30, 2015 – risk management contract assets of $1,039,009 and convertible Class B share liability of $Nil). Excluding this, the working capital deficit would be $46,978,233 (June 30, 2015 – $5,204,528).

(3) Long-term contract obligation excludes current portion of $368,935 (June 30, 2015 – $321,586), which is included in working capital deficit.

(4) For a description of the boe conversion ratio, see "Reader Advisory".

(5) Before hedging.

(6) For a description of Operating netback and Funds flow netback, refer to the commentary in the MD&A under Non-GAAP measures.

Second Quarter 2016 Corporate Highlights

- Achieved average production of 4,421 boe per day for the quarter, 75 percent natural gas.
- Achieved sales of $6.3 million and funds flow from operations of $360,700 ($0.02 per basic share).
- Minimized capital spending with total capital expenditures of $177,535.
- Incurred operating costs of $10.61 per boe, achieving a 15 percent reduction from second quarter 2015 operating costs of $12.42 per boe.
- Incurred general and administration (G&A) costs of $1.2 million for the quarter, representing a 14 percent reduction from the second quarter of 2015.
- Sold two non-core properties with approximately 60 boe per day of gas-weighted production, generating cash proceeds of $1.95 million.

President's Message

The second quarter of 2016 continued to be very challenging with some recovery in oil prices but a continued deterioration in natural gas prices. The average benchmark price of oil for the quarter was US$45.59 per barrel WTI, up a significant 36 percent from the average price of US$33.45 per barrel WTI in the first quarter. The AECO natural gas spot price, on the other hand, averaged only $1.33 per GJ for the quarter, a drop of 24 percent from the first-quarter average price of $1.74 per GJ. These are natural gas prices not seen in almost 20 years. Thankfully, at the time of this release the outlook and fundamentals look positive for improvement in both natural gas and oil prices going forward.

The oil and gas industry, while currently experiencing decade-low commodity prices and significantly reduced cash flow, continues to wrestle with the challenges of a cost structure and debt levels left over from the most recent period of high commodity prices. Not surprisingly, the entire industry is focusing intently on reducing all costs and reducing debt. Questfire is no exception and I'm pleased to report that we continue to deliver success on the cost side. Our operating and G&A costs are down approximately 15 percent year-over-year thanks to the focused efforts of all our office and field staff, and are expected to continue to decline. On the debt side, Questfire initiated a Strategic Review process in March and has, so far, sold $1.95 million of non-core assets. We expect to continue to sell non-core assets over the remainder of the year and are exploring all additional options to reduce our bank debt. Questfire will also continue to minimize capital spending and focus on maintaining production while minimizing operating costs.

Our production base continues to show a low base decline rate of 10 to 12 percent per year, which is a big advantage in the current low-price environment. In the second quarter, due to low natural gas prices, Questfire shut-in approximately 300 boe per day of higher cost gas-weighted production. In addition, ongoing gas transportation restrictions on the TCPL pipeline system are unpredictable and challenging, and resulted in approximately 250 boe per day of production being restricted over the quarter. With continued improvement in natural gas pricing and removal of TCPL restrictions we expect the majority of this production to be back on in September.

We are currently working through our mid-year bank review, which we expect to have finalized by late August. Our borrowing base may be somewhat reduced due to low commodity prices. We are actively pursuing options to reduce our debt levels, which I believe will be materially lower by year-end and continue to decline through 2017. Questfire has a skilled and committed management team with a history of creating value. We are supported by experienced and motivated office and field staff. Along with our low-decline, low-cost and opportunity-rich asset base, I am optimistic that this will allow us to overcome the challenges of the current commodity price weakness and ultimately add significant value for the shareholders of Questfire.

Questfire Energy Corp. is an Alberta-based company formed to participate in oil and gas exploration, development and acquisitions focusing in the W4 and W5 regions of Alberta. The Corporation's shares trade on the TSX Venture exchange under the symbols Q.A and Q.B. The Corporation currently has 17,318,001 Class A shares and 550,440 Class B shares outstanding.

To view a full copy of the Corporation's unaudited financial results for the period ended June 30, 2016, including the Corporation's unaudited financial statements and accompanying MD&A, please refer to the SEDAR website at www.sedar.com or contact the Corporation at Questfire Energy Corp., 1100, 350 – 7th Ave S.W., Calgary, Alberta, T2P 3N9.

Reader Advisory

*Petroleum and natural gas volumes are stated as a "**barrel of oil equivalent**" (boe), derived by converting gas to an oil equivalency in the ratio of 6,000 cubic feet of gas to one barrel of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6,000 cubic feet of gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead which under current commodity price conditions is approximately 20-35 Mcf to 1 bbl. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.*

This news release contains certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks, uncertainties, and assumptions certain of which are beyond Questfire's control. Such risks, uncertainties, and assumptions include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Questfire's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Questfire will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Questfire or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Questfire does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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To request a free copy of Questfire's financial report or if you would like to be put on Questfire's mailing list please contact Ronald Williams, Vice President, Finance and CFO at rwilliams@questfire.ca.

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